

APPROVED: Meeting No. 21-94

ATTEST: *Paula C. Jewell*

MAYOR AND COUNCIL
ROCKVILLE, MARYLAND
Meeting No. 12-94

April 11, 1994

The Mayor and Council of Rockville, Maryland, convened in General Session in the Council Chamber, Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland, on April 11, 1994, at 7:30 p.m.

PRESENT

Mayor James F. Coyle

Councilmember Robert E. Dorsey

Councilmember Rose G. Krasnow

Councilmember James T. Marrinan

Councilmember Nina A. Weisbroth

In attendance: City Manager Bruce Romer, City Clerk Paula Jewell and City Attorney Paul Glasgow.

1. Mr. Romer reported that the City had again received the Government Finance Officers Association Certificate for Excellence in financial reporting. The certificate signifies the City's excellence in conforming to all governmental accounting standards.

2. Rockville's Police Department participated in National Child Safety Week, and as part of the efforts to promote motor vehicle safety, vehicle registrations of those drivers who were found to be properly using child safety restraints were noted, and the City is sending a letter of commendation along with a "Buckle-Up Bear" stuffed animal.

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3. On April 14th, the City will recognize its Police Department on receiving full accreditation. There will be a special reception from 5:30 to 7:00 p.m. at the Red Brick Courthouse.

4. Over the past weekend, Governor Schaefer presented the City with the "Maryland Plant Community Award" which recognizes the City's efforts in planting and caring for trees as well as Rockville's educational and public informational efforts on tree planting.

Re: Proclamation declaring April 19, 1994 as **NATIONAL YOUTH SERVICE DAY** in Rockville.

Proclamation No. 05-94

By a unanimous vote of the Mayor and Council, April 19, 1994 was declared "National Youth Service Day" in Rockville. Upon the request of the Mayor, Councilmember Marrinan read the Proclamation, the full text of which can be found in Proclamation File No. 7 of the Mayor and Council. Irish Sewpaul and other representatives from Richard Montgomery High School Students Helping Other People (S.H.O.P.) and Code Blue groups accepted the proclamation.

Re: Proclamation recognizing the 5th Annual **ROCKVILLE SCIENCE DAY** on April 24, 1994.

Proclamation No. 06-94

By a unanimous vote of the Mayor and Council, April 24, 1994 was declared "Rockville Science Day" in Rockville. Upon the request of the Mayor, Councilmember Krasnow read the Proclamation, the full text of which can be found in Proclamation File No. 7 of the Mayor

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and Council. Sheila Marshall, President, Rockville Consortium for Science, Inc., accepted the Proclamation.

Re: Additional Agenda Item - Surprise
Presentations from Planning
Commission.

David Melnick, Chair of the Planning Commission, presented plaques of appreciation to two former members of the Planning Commission: Jim Vitol who had served from 1984 to 1994, and Councilmember Nina Weisbroth who served as a member from 1989-1993. Mr. Melnick said that both had performed outstanding services for the Commission, and who, along with others, were fundamentally responsible for the thought and work that had gone into the preparation of the City's Master Plan.

Re: Presentation by Ruth Crone,
Executive Director of the
Metropolitan-Washington Council
of Governments, regarding COG's
recent activities and current
projects.

Ms. Crone explained that COG's efforts were to reach out to its government members to share highlights of what the organization was doing and provide for an opportunity to learn how COG can better serve its members. Ms. Crone introduced Environmental Programs Director, Stuart Freudberg, and two of COG's Public Affairs staff--Pat Warren and Shanella Barnes. Ms. Crone noted Rockville's elected and appointed officials' participation on COG committees and said that Rockville had been a member of COG for more than 30 years. COG was founded in 1957 as an independent non-profit organization with a mission to: serve governments

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acting as a forum for solutions to problems that transcend jurisdictional boundaries, serve as a resource for local governments by identifying and analyzing issues, serve as an advocate for residents, and provide expert assistance to local governments. Ms. Crone spoke about specific services related to environmental issues, i.e., air and water quality, and transportation planning, as well as COG's cooperative purchasing program.

Mayor Coyle asked whether COG could play any role in elevating the issue of unfunded mandates, on behalf of COG members. He also noted the issue of changing ethnic populations and he asked if COG could play a role in moving these populations into the mainstream. Councilmember Martinian complimented COG on the efficiency and professionalism of its staff. In response to the Mayor's question, Mr. Preudberg summarized ongoing events in the area of unfunded mandates and said that COG was working with other public interest groups in looking at how unfunded mandates were affecting environmental issues (air quality, wetlands, and resource runoff requirements).

Re: Public Forum - This time is set aside to hear from any citizen who wishes to address the Mayor and Council.

1. Bill Meyer, 804 Leverton Road said he was impressed by Ms. Crone's presentation and he asked whether the oil grit separator grant was an EPA grant or a State grant. Mr. Meyer also expressed concern about the widening of MD Rt. 28 from Leverton Road to Rifleford and said that any growth at the boundaries of the City's limits would negatively impact City streets and would encourage further development in the areas proposed for widening. Mr. Meyer questioned

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whether COG was involved in the planning process. Mr. Romer responded that the oil grit separator grant was an EPA grant, although it would be administered through the State, and he said that staff would look into the other points raised by Mr. Meyer.

Councilmember Krasnow noted that members of the public were invited and encouraged to attend COG's Transportation Planning Board meetings and submit their input on road projects.

2. Carol Hannaford, 5718 Wainwright Avenue commended the Mayor and Council on the proposal for a comprehensive outreach program to diversify boards and commissions. She said as the former Chair of the Human Rights Commission, she had been interested in the idea and she shared some of the Commission's successes and failures with a similar proposal.

Re: Adoption of Minutes

Meeting No. 05-94 (February 7, 1994)

Upon motion of Councilmember Marrinan, duly seconded and unanimously passed, the Minutes were approved with corrections, by a 3 to 0 vote; Councilmembers Dorsey and Weisbroth abstained.

Meeting No. 08-94 (February 28, 1994)

Upon motion of Councilmember Krasnow, duly seconded and unanimously passed, the Minutes were approved, as amended.

Re: Consent Agenda

Upon motion of Councilmember Krasnow, duly seconded and unanimously passed, the following Consent Agenda items were approved.

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- (A) Certificate of Recognition to the German-American Society of Pinneberg, Germany on the occasion of their tenth anniversary.

This certificate will be presented by the Rockville delegation to Pinneberg at the official anniversary ceremony on April 24, 1994. The German-American Society of Pinneberg was formed in 1984 in order to re-establish an active Sister City program with Rockville.

- (B) Award of contract for entertainment for 1994 Hometown Holidays, Saturday evening concert, May 28th, to Kool & the Gang in the amount of \$22,500.

Kool & the Gang is a popular rock group which have had twelve songs make the Top-10 hit list.

- (C) Receipt of financial reports summarizing the results of City operations for the period from July 1, 1993 through February 28, 1994.

Re: Adoption of Resolution to authorize exchange of real property between the Mayor and Council of Rockville and the Pension Benefit Fund of the International Brotherhood of Electrical Workers.

exchange 5,976 square feet of land between the City and the IBEW Pension Benefit Fund.

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Resolution No. 06-94

Mr. Romer noted that Items 9 and 10 were related issues, as both dealt with the same property. He explained that Foulger-Pratt requested to obtain the value of an option for the City-owned parcel located on Middle Lane. The same option had been made available to RCI, and the Mayor and Council held a public hearing and the City's attorney had been working with Fougler-Pratt to develop the option agreement. Upon motion of Councilmember Weisbroth, duly seconded and unanimously passed, the Resolution was adopted. The full text of the Resolution can be found in Resolution Book No. 18 of the Mayor and Council.

Re: Adoption of Resolution to authorize execution of an agreement granting FP Rockville Limited Partnership an option to purchase part of the City owned property located on Middle Lane referred to as Lot 7 under the Transition and Development Agreement.

The City has been requested to grant an option to purchase to FP Rockville Limited Partnership for the City-owned property known as Lot 7.

Resolution No. 07-94

Councilmember Marrinan asked that the record show that the City had received correspondence from RCI, not opposing the award of an option to Foulger-Pratt. Upon motion of Councilmember Marrinan, duly seconded and unanimously passed, the Resolution to authorize execution of an agreement granting FP Rockville Limited Partnership an option to purchase part of

the City-owned property was adopted. The full text of the Resolution can be found in Resolution Book No. 18 of the Mayor and Council.

- 2. Discussion and Instructions to Staff - regarding a proposed comprehensive outreach program to increase the diversity of applicants for City Boards and Commissions.

City Clerk Paula Jewell presented staff's proposal to develop a comprehensive outreach program to increase the diversity of the pool of applicants applying for membership on the City's boards and commissions. The proposal involved three approaches:

- 1. amending the application process by requiring interested persons to submit an expression of interest form, and requiring current members whose terms are about to expire, to re-apply along with any new applicants;
- 2. increasing outreach efforts to all of the City's communities by surveying those organizations and developing forms, message stuffers, brochures, and a possible newsletter that would focus on board issues and activities; and
- 3. developing a "meet and greet" presentation program which includes handouts and videos that would be used to orient individuals and groups about the City's form of government and inform residents how they might participate in government through the Boards and Commissions process, citizen forums, Mayor and Council drop-ins and the Citizen Service Request system.

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Councilmember Dorsey said he was impressed with the proposal as it focused on that areas the Mayor and Council were aware of as well as the Mayor and Council's desire to reach the diverse population in Rockville. He suggested building a time frame into the application process so applicants could indicate what their availability was for waiting for an appointment on a board or commission. Mr. Dorsey questioned how an applicant could remove themselves from the process if their life situation changed and they were no longer available for consideration. Mr. Dorsey said he looked forward to the idea of a Cable Cityscape program that gave a guided tour of the boards and commissions with an explanation of what each did.

Councilmember Krasnow commented that the outline was an excellent approach; however, she expressed concern about the submission of an application form instead of a resume, which she said might make the process too standardized. Mayor Coyle suggested that the expression of interest form be available as an option so that interested applicants could submit either one. Ms. Krasnow also suggested the form be revised to include a section for applicants to indicate why they wished to serve on a commission. Councilmember Dorsey commented that he liked the idea of the form which could be easily filled out, and he agreed with the suggestion to let applicants submit either a form or a resume.

Councilmember Krasnow also suggested that vacancies be listed at the bottom of General Session agendas, as opposed to setting aside time during the Mayor and Council's meeting to highlight such information.

Mayor Coyle commented that the proposal was a nice package, and he suggested that the process for handling applications, filling vacancies and following-up with candidates who

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not selected, be improved. He also suggested the Mayor and Council consider inviting board chairs and members to attend Mayor and Council meetings to give periodic updates on their activities. Staff was instructed to proceed with the development of the comprehensive outreach program.

Re: Presentation of fiscal year 1995 budget.

In his overview, Mr. Romer said that the FY95 Budget represented a continuation of five years of a "hold the line discipline," mainly out of necessity because of the delayed impact of the recession on the City's tax base; the three-year assessment cycle now negatively impacting the City's real estate tax base; and the fact that the City's management philosophy reflects the continued commitment to quality in delivery of municipal services and was based on the continuing view of "empowerment" - a concept that was not only communicated internally with departmental managers but also with citizens.

Goals Adopted in FY95

- maintain the premium service levels that Rockville citizens enjoy;
- embody the notion of continued cost containment;
- provide for adequate employee compensation for Rockville's labor intensive programs.

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Mr. Romer said the City also focused on some long-range issues:

Municipal Swim Center - The 25-year old municipal swim center is funded by the enterprise fund.

Mr. Romer said that annual revenues fell short in a number of areas, particularly in the inability to cover debt service costs, and the policy issue was how to deal with an accumulated fund deficit of nearly \$900,000 and how to deal with an anticipated yearly revenue shortfall. The recommendations were to transfer existing monies from the general fund to the swim center fund, to account for the deficit, and to provide a general fund subsidy on an annual basis up to the amount necessary to cover debt service costs. The City would also continue active marketing efforts to improve the revenue picture.

Stormwater Management - Over two years, the City has had very successful efforts by the SWM Task Force which resulted in many useful recommendations. The existing funds generated by the SWM utility are not going to be sufficient to meet all the needs of providing for maintenance and federally mandated maintenance to the facilities. The recommendation is to complete studies to determine what would be the best vehicle to generate a dedicated funding source--an ad valorem tax or a utility charge (user fee). Both suggestions had been discussed and staff will engage the Mayor and Council in discussions on which source would be implemented next year.

Water Utility - Mandates imposed by other levels of government have been onerous and have put real burdens on the City's water utility in terms of new processes and new costs to incur. The City's water plant is nearly 40 years old and in need of rehabilitation. A decision must be made

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for a possible expansion of the plant and whether to increase system capacity. The recommendation is for a modest water and sewer rate increase to meet the City's budget.

Rockville Town Center Redevelopment Project - With the demolition already started on portions of the City Hall, there is a need to continue active fund seeking from other levels of government for the downtown redevelopment. Funding for Rockville Town Center project of \$2 million was in place this year and the City has continued to pay outstanding bonds on the old parking garage. Funding of \$965,000 was recommended in the FY95 CIP budget to pay for the City's share of the Courthouse Square Park improvements. Mr. Romer said that the recommendations reflected the City's commitment to the redevelopment project.

Revenues - Revenue forecasts reflect a belief that we are in the midst of a moderate economic upturn; nevertheless, we are constrained by the three-year assessment cycle. For the first time in 10 years, the property tax base has declined in value. To compensate for this loss, consideration was given to raising rates on existing sources of revenues that were within the control of the Mayor and Council - non-tax revenue sources such as licensing and permitting, recreational services, use of City facilities, etc. The recommendation in the Budget represents a tax rate increase to 22 cents per \$100 of assessed valuation, a proposal of license and permit fee increases, and water and sewer rate increases.

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Balancing the Budget

Mr. Romer explained that a responsible balance was attempted, and he said that the declining property tax base resulted in a situation where the City was \$500,000 behind where we were a year ago. Direction was issued to City departments to close \$500,000 gap with additional rightsizing, but Mr. Romer said there was a limit to how far that could go because of certain other constraints. Looking at intergovernmental revenues, FY95 sources were less than FY93 and slightly more than last year. Income from the County tax duplication program from FY92 to FY95 show that revenues from this program have consistently decreased. Mr. Romer said the Mayor and Council wanted to maintain the levels of service for categories that fall under the tax duplication program, i.e., road maintenance, police protection, zoning enforcement, and human rights and services; all of which were services that were highly valued by the community.

Mr. Romer said the assessed valuation by commercial and residential properties from 1990-97 showed that the rate of growth in the commercial property tax base had been slowing. Historically, the commercial tax base had been higher until last year when it began to decline; the residential tax base also declined and modest new constructions taking place project a modest increase in the assessed valuation for residential properties. He said the primary reasons for the drop in commercial real estate valuations were from the loss of a couple of major satellite dishes (2 dishes amounted to \$200,000-300,000 lost), and the downtown property values hit low with the Town Center renovations, but would turn around with the redevelopment. In addition, renovations in Town Center and Congressional Plaza closed two movie theaters and resulted in the loss of admissions and amusement taxes.

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Mr. Romer explained that since 1969, the City's tax rate was reduced or kept the same. He explained the constant yield tax rate was a rate that any community needed to tax in order to maintain a level of income from the property tax. He said in most years, the constant yield tax rate had been at a rate lower than what we were taxing, and Rockville was the beneficiary of a rising tax base so we did not need to change tax rate because the value of the property tax base increased and generated more money. This year, for the first time, the constant yield rate has been higher than our current rate of taxation. Mr. Romer said the key rates being recommended for FY95 are:

- 82 cents proposed tax rate per \$100 of assessed value
- water rate of \$1.42 per 1,000 gallons of water
- sewer rate of 2.56 per 1,000 gallons
- \$22.00 refuse rate per month

Mr. Romer explained that the changes impacting single family households amounted to only a 3.64 percent change, and the impact on business properties would result in a 2.7% percent decrease. The City's water and sewer rates would still be substantially lower than rates charged by WSSC.

Outside Agencies

Mr. Romer pointed out that the same standards and guidelines for outside agencies were the same as those applied to the City's departmental budgets: no new programs, no new initiatives, and no new personnel. He credited the recipients of outside agency funding who responded positively and affirmatively in submitting their budgets. Mr. Romer said he would be recommending for Mayor and Council's consideration, a departure from a prior plan to appropriate

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monies to individual agencies in the community to perform narrowly defined services. He would be recommending a new initiative for a more global approach in the area of cultural diversity.

Capital Improvement Program (CIP)

Mr. Romer gave an overview of the CIP and said there was emphasis to prioritize the most critical needs and do the best to comply with mandates and complete previously planned programs. In the proposed CIP, there were 82 projects proposed for funding; 43 were carryover projects. Mr. Romer said there would be many opportunities for citizen participation and he noted that public hearings were scheduled on May 3rd and May 10th, and the Mayor and Council would also meet in a number of budget worksessions during the month of May.

In summary, Mr. Romer said that the FY95 Budget as presented, maintained the premium service levels in the Rockville community that our citizens want and expect. He said that the Budget also provided for a modest tax increase which he believed in light of the constraints on the City, was warranted. Mr. Romer stated that the City went into the budget with a right-sized organization that was equal to the task of delivering services.

Councilmember Marrinan asked that thought be given to projecting out to years 1998 and 1999 to see what impact the Town Center redevelopment will have on commercial property assessments in those out-years and how can we change the trend being experienced now so that there was hope for the future.

Mayor Coyle suggested the Mayor and Council discuss a development strategy to keep tax rate percentages of commercial and residential efforts in balance and develop a plan that

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would meet business and residential needs. He requested more information on the issue of why the County's tax duplication payments continued to decline. He knew that the City was continuing to provide higher and good quality services.

Councilmember Krasnow clarified that the tax base for commercial property owners was decreasing as a whole, not because their tax rate was lower, but because their assessed values had gone down. She said the City was taking positive steps to increase the commercial base, i.e., the redevelopment of Town Center, and she suggested initiatives be increased to seek new businesses and seek new satellite dishes so residents would not bear the larger share of tax increase.

Councilmember Dorsey said the outside agency funding initiative provided a chance for various agencies and citizens to come forward and recognize individual sacrifices that would have to be made by everyone.

Mayor Doyle pointed out the Council's plans to move forward on assembling a taskforce which would make recommendations in the area of health care. He said once this taskforce was underway, the City would be able to address what the issues were and what would be the impact on the FY96 budget.

Re: FYI/Correspondence

1. Councilmember Marrinan noted the 1993 Award for Excellence in Construction received for Wootton Parkway, and he complimented staff who have participated in the project. Mr. Marrinan said he was amazed at the number of awards that came to the City through the efforts of Rockville staff.

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2. Councilmember Marrinan noted FYI Item #7, regarding the left turn lane at Falls Road/Kersey Lane and said he was taken aback that the State Highway Administration was removing what he thought was a significant improvement in traffic flow and returning to a confusing and potentially dangerous traffic flow. He encouraged staff to take a more proactive approach to encourage the state to move ahead with some initial work rather than leave it as it was.

3. Mayor Coyle pointed out the Ring House is joining in with the City's "Keep It Clean" program. Councilmember Marrinan noted that resident Libby Baden had actually brought the matter of trash at a bus stop in front of the Ring House to the City's attention, and he said it was her efforts which resulted in the solution proposed.

4. Mayor Coyle noted his pleasure that six apartments in the newly renovated Beall's Grant Apartments were now occupied.

Re: New Business

1. Councilmember Krasnow noted a letter from parents and principals of Fallsmead Elementary and Wootton High School, citing concerns about the proposed widening of Wootton Parkway and the heavy traffic volumes in that area, and requesting that a pedestrian footbridge be constructed. Mr. Romer said that a response to the letter was sent notifying the interested residents that there were a number of very difficult issues related to cost, ADA requirements, and location issues that had to be looked at; however, the City would study the idea of a footbridge in the planning for Wootton Parkway.

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Ms. Krasnow also noted a letter received from a resident regarding the placement of refuse and recycling containers. She asked if the City had decided whether to regulate this. Mr. Romer said as a result of that letter, staff was looking at the issue and developing some recommendations.

2. Mayor Coyle asked that CIOG's information package be made available for residents to review. Mayor Coyle also commented on the FDA's review of potential sites in Rockville for relocation of their facilities. He suggested a letter be sent to the City's elected delegation, from the Mayor and Council noting concerns about the FDA occupying the entire Irvington farm site and the issue of the City's loss of taxes should the FDA purchase the Irvington site. The Mayor also suggested that the Council discuss the issue and decide whether to take a position.

Ms. Krasnow suggested that the Mayor and Council also begin discussions with the County on the issue, and she asked staff to obtain information on why the FDA needed 400 acres for 1.5 million square feet of office space. Mr. Marrinan suggested that the proposed letter include a clarification of what the federal policy was regarding revenue in-lieu-of-taxes, and that the City ask its Federal elected representatives to look into the matter to see whether the policy would apply to this situation. Mayor Coyle said the Mayor and Council needed to discuss whether a strategy was needed on the issue of taxation available to the City from the State.

Re: Next Meeting

The Mayor and Council will meet on Monday, April 18, 1994 in Worksession with the Southern Christian Leadership Conference, the National Chamber Orchestra and Hispanics United for Rockville. The next General Session will be on April 25, 1995.

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Re: Next Saturday Drop-In: April 16,
1994 (Councilmember Krasnow)

Re: Adjournment

There being no further business to come before the Mayor and Council, the meeting was adjourned at 10:17 p.m., to convene again in Worksession at 7:30 p.m. on April 18, 1994, or at the call of the Mayor.